

PX-517

Case Clip(s) Detailed Report
 Wednesday, January 05, 2011, 9:10:55 PM

PX 517

0_W3301

 **Frank, Jeff (Vol. 01) - 10/09/2009**

1 CLIP (RUNNING 00:42:16.900)

 Thank you for your patience as we were ...

JFEDIT

35 SEGMENTS (RUNNING 00:42:16.900)

1. PAGE 9:09 TO 9:15 (RUNNING 00:00:11.100)

09 Q Thank you for your patience as we were
 10 setting up there. Can you just state your full
 11 name for the record, sir.
 12 A Jeffrey Paul Frank.
 13 Q And who are you currently employed by,
 14 Mr. Frank?
 15 A Lawson Software.

2. PAGE 11:12 TO 11:22 (RUNNING 00:00:20.800)

12 Q Why don't we start with, what's your job
 13 title at Lawson Software?
 14 A Vice president of marketing.
 15 Q How long have you held that position,
 16 sir?
 17 A Approximately three years. A little over
 18 three years.
 19 Q How long have you been employed by Lawson
 20 Software?
 21 A It will be seven years on January 2nd of
 22 2010.

3. PAGE 17:02 TO 18:16 (RUNNING 00:01:30.300)

02 Q Let's go back to your job
 03 responsibilities and duties as the vice president
 04 of marketing at Lawson. Can you give me a high
 05 level overview of what those entail?
 06 A My overall focus is oversight for
 07 Americas marketing, with the primary emphasis being
 08 on North America. And that includes really all
 09 aspects of our marketing activities.
 10 Q What kind of marketing activities are you
 11 involved in in the Americas?
 12 A Our primary focus, our primary
 13 go-to-market approach is via industries. So it is
 14 our marketing activities from lead generation to
 15 brand building evidence in our target markets or
 16 industries.
 17 Q And how do you go about doing that to
 18 those industry sectors?
 19 A We have teams that are organized,
 20 marketing teams that are organized around those
 21 industries.
 22 Q And how do they reach out to those
 00018:01 industries to promote Lawson's software ERP
 02 solutions?
 03 A Through a wide variety of activities
 04 ranging from direct marketing to events, trade
 05 shows, electronic marketing, just to name a few

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06 examples.
07 Q How about advertisement?
08 A Very limited advertising.
09 Q Would advertising fall within your
10 responsibilities?
11 A Yes.
12 Q Trade shows. What kind of trade shows
13 are involved?
14 A Generally speaking, industry focus trade
15 shows. So they will vary by our industries or
16 business units.

4. PAGE 29:11 TO 29:15 (RUNNING 00:00:20.400)

11 Q Can you name some of the competitors, the
12 principal competitors that Lawson views as in the
13 marketplace competing for your business sectors?
14 A SAP, Oracle, McKesson, Tyler, Munis, just
15 to name a few.

5. PAGE 30:07 TO 31:02 (RUNNING 00:00:49.300)

07 Q How about Ariba, does Lawson ever compete
08 with Ariba in the ERP space?
09 A To the best of my knowledge we do on
10 occasion, yes.
11 Q Prior to this lawsuit, had you heard of
12 ePlus before?
13 A No.
14 Q Do you do any competitive research as
15 part of the marketing department responsibilities?
16 I say "you," I mean generally the marketing
17 department.
18 A Very limited. It's not one of the
19 responsibilities of the marketing department.
20 Q Is it the responsibility of any other
21 department that you know of?
22 A It falls primarily with product
00031:01 management and sales, through a sales operations
02 group.

6. PAGE 31:03 TO 34:08 (RUNNING 00:02:57.000)

03 Q Does the marketing department have any
04 responsibility for the content of the Lawson
05 website?
06 A Yes.
07 Q Can you tell me the nature of that
08 responsibility?
09 A Lawson marketing has overall
10 responsibility for the Lawson.com website and any
11 of our web properties, so is responsible for
12 developing and delivering the content for the
13 website.
14 Q So people from the marketing department
15 have drafted the information that's available with
16 respect to the product features and functionality
17 on the website?
18 A They would be involved with the process.

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19 Q Is it the marketing department that
20 actually loads that content once it's prepared?
21 A Yes.
22 Q Does the marketing department take steps
00032:01 to ensure that the information contained on the
02 website is as accurate as possible?
03 A Yes.
04 Q How does the marketing department go
05 about doing that, sir?
06 A Really there's two parts to the process.
07 In the case of product-type functionality, it goes
08 through a review by the product management
09 organization. And then with any of the content
10 that we place on our website, it goes through a
11 legal review.
12 Q And what's the purpose of the legal
13 review?
14 A To make sure that the content is
15 accurate.
16 Q And is that because potential customers
17 and other interested parties are going to be
18 accessing information from the website and you want
19 it to be as accurate as possible?
20 A I believe that is one of the reasons,
21 yes.
22 Q Is it fair to say that you want people to
00033:01 be able to rely on the information that's provided
02 to them on the website? Correct?
03 A Yes.
04 Q Does the company's website provide to
05 your knowledge white papers that describe the
06 features and functionality of the company's
07 products?
08 A It contains white papers. I can't speak
09 to whether it describes specific functionality of
10 the products.
11 Q Do you know what the purpose of the white
12 papers are that are loaded onto the company's
13 website?
14 A Yes.
15 Q What's that, sir?
16 A It ranges. So it ranges from specific
17 product information to white papers on general
18 industry issues and topics that have nothing to do
19 with software. So it can be for a wide variety of
20 reasons, purposes.
21 Q But there are white papers that are
22 available on the company's website that are
00034:01 directed to Lawson's products, correct?
02 A Yes.
03 Q And again, it's Lawson's intention that
04 these white papers provide accurate information to
05 whoever is viewing them with respect to the
06 features and functionality of the company's
07 products, right?
08 A Yes.

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7. PAGE 35:02 TO 36:01 (RUNNING 00:01:06.000)

02 Q Is the marketing department at all ever
03 involved in the RFP process that is often employed
04 in the sales of ERP solutions?

05 A In some cases.

06 Q Can you tell me the nature of the
07 involvement by giving me some examples that
08 marketing would be involved?

09 A Generally speaking, if there is a
10 question on the RFP that the individual responding
11 to the RFP doesn't know the answer to or is unique
12 so it's not a part of our library of RFP responses,
13 they may come to marketing for information.

14 Q I think we both know what we're talking
15 about, but just so it's clear on the record, in
16 many instances when a potential customer wants to
17 obtain a Lawson product such as an ERP solution,
18 they will provide you with a series of questions in
19 what's called an RFP or request for proposal.

20 A Correct.

21 Q And Lawson responds to those questions,
22 correct?

00036:01 A That's correct.

8. PAGE 36:19 TO 36:22 (RUNNING 00:00:07.600)

19 Q Who has primary responsibility for
20 responding to the RFPs? Is it the sales division
21 or the marketing division?

22 A Sales division.

9. PAGE 38:13 TO 38:21 (RUNNING 00:00:30.100)

13 Q Can you give me any examples of those
14 types of questions that come to marketing from the
15 sales division with respect to the RFP process?

16 A Some examples that come to mind are
17 number of customers we have in a particular
18 industry or segment of an industry. We'll get
19 questions on which types of events and associations
20 we are affiliated with, generally tending to be
21 marketing focussed.

10. PAGE 39:10 TO 39:14 (RUNNING 00:00:10.800)

10 Q You mentioned in one of your answers that
11 there is a library of RFPs. Do you recall that
12 testimony?

13 A I stated there is a library of RFP
14 responses.

11. PAGE 39:15 TO 39:17 (RUNNING 00:00:07.300)

15 Q Are those actual responses to potential
16 customer inquiries in the RFP process?

17 A No.

12. PAGE 39:18 TO 41:04 (RUNNING 00:01:18.000)

18 Q What is it?

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19 A It is a library of approved responses,
20 templated responses to standard types of questions,
21 comment types of questions that we receive.
22 Q So it is not unusual in this RFP process
00040:01 for customers to have the same types of questions
02 about the features and functionality of a product,
03 say an M3 or an S3; is that correct?
04 A That's correct.
05 Q So the company has anticipated those
06 questions or through experience understands what
07 those questions are, and prepares a stock set of
08 answers that can be plugged in for the RFP process,
09 correct?
10 A That's correct.
11 Q And just like the website, is it Lawson's
12 intention that those templates or stock answers to
13 these common questions be as accurate as possible
14 with respect to the features and functionalities of
15 the products? Correct?
16 A Correct.
17 Q It's not Lawson's intent to mislead
18 anybody about the features and functionality of its
19 software products, right?
20 A That's correct.
21 Q So if we were looking at a response to an
22 RFP with respect to the features and functionality
00041:01 of an ERP solution such as M3 or S3, we should be
02 able to rely on the accuracy of that information,
03 correct?
04 A That's correct.

13. PAGE 44:02 TO 45:14 (RUNNING 00:01:34.100)

02 Q Do you do any market research with
03 respect to business opportunities in these industry
04 sectors you've been talking about?
05 A Yes.
06 Q Are there any industry reports that
07 Lawson relies upon to understand the needs of the
08 ERP market?
09 A Yes.
10 Q Can you give me some examples?
11 A Examples would be through our
12 relationships with some of the industry analysts
13 such as Gartner Group, Forrester, just to name a
14 few.
15 Q Aberdeen?
16 A In the past, yes.
17 Q Which of those three that we just
18 mentioned would you consider to be most reliable as
19 far as information concerning the ERP market?
20 A Gartner.
21 Q Does the company rely on some of the
22 information with respect to the ERP market that's
00045:01 provided by Gartner in its reports?
02 A I wouldn't characterize it as "rely." We
03 utilize the information.

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04 Q How often does the company receive
05 reports from Gartner as to the ERP market?
06 A On an ongoing basis.
07 Q Do you know how frequent they are issued,
08 quarterly, monthly?
09 A There's a variety of reports that Gartner
10 puts out. So they're based on different times
11 throughout the year. So it's ongoing.
12 Q Does the marketing group specifically
13 subscribe to those publications?
14 A We do.

14. PAGE 48:07 TO 49:20 (RUNNING 00:01:35.500)

07 Q What's involved in the direct marketing
08 process? Is there literature, brochures, you know,
09 e-mail spamming? What's the process for direct
10 targeted marketing of a potential new customer?
11 A We don't spam. But it really runs the
12 spectrum from the development of collateral or
13 brochures. We do e-mail marketing, trade show
14 marketing, direct mail, to webinar, web-type
15 events. So we really use the full range of
16 different types of marketing activities to reach
17 both potential customers and existing customers.
18 Q The marketing brochures you talked about
19 that are utilized in this direct marketing effort,
20 does that fall within the marketing department's
21 responsibilities?
22 A Yes.
00049:01 Q So marketing is responsible for the
02 content of those brochures, correct?
03 A Yes.
04 Q Like your website and your responses to
05 RFPs, does Lawson make efforts to ensure that the
06 information contained in these brochures with
07 respect to the products is accurate?
08 A It does.
09 Q And like the website, does Lawson also
10 make efforts to have a legal review of the
11 brochures to see that the information is accurate?
12 A Yes. All of that type of external
13 information, including RFPs, goes through a legal
14 review.
15 Q I'm sorry. So the RFPs also go through a
16 legal review?
17 A To the best of my knowledge, yes.
18 Q Is that done by in-house counsel at
19 Lawson?
20 A To the best of my knowledge, yes.

15. PAGE 50:12 TO 52:03 (RUNNING 00:01:51.000)

12 Q And again, that's to ensure that nothing
13 misleading is being presented to the customer in
14 describing the features and functionality of the
15 software products being offered?
16 A Among other reasons, yes.

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17 Q What other reasons can you think of?
18 A Make sure we are presenting our product
19 information in the most positive form.
20 Communication that people can understand, etc.
21 Q Besides the brochures, you mentioned
22 webinars, correct?
00051:01 A That's correct.
02 Q Just for the record, why don't you
03 describe what a webinar is.
04 A A webinar is where Lawson will put on an
05 event that is delivered online via the web, and
06 will typically include both a video portion as well
07 as an audio portion. People access it via that
08 laptop or a combination of their laptop or a
09 computer as well as phone. And we are delivering
10 various types of information via an online event.
11 People participate virtually.
12 Q Who would be some of the potential
13 targets for a webinar demonstration?
14 A It could be any of the customers or
15 potential customers in our target markets.
16 Q Would a salesperson or a marketing person
17 potentially reach out to a new customer to make a
18 webinar presence so that the customer can
19 understand the features and functionality of a
20 software product that Lawson is offering?
21 A Potentially.
22 Q Is marketing responsible for the content
00052:01 of the webinar demonstrations?
02 A I wouldn't characterize them as
03 demonstrations. But for the webinars, yes.

16. PAGE 53:05 TO 53:13 (RUNNING 00:00:20.000)

05 Q And again, as with the website, responses
06 to RFPs and the brochures, it's Lawson's intention
07 that the webinars present accurate information with
08 respect to the features and functionalities of the
09 Lawson Software products, correct?
10 A That's correct.
11 Q Did they also go through legal review, to
12 your knowledge?
13 A To the best of my knowledge, yes.

17. PAGE 55:21 TO 57:03 (RUNNING 00:01:08.000)

21 Q It's one of the goals of Lawson to make
22 the electronic procurement process more efficient,
00056:01 thereby saving its customers money, correct?
02 A Generally speaking, yes.
03 Q Have you heard the term "e-Procurement"
04 before?
05 A Yes.
06 Q And M3 and S3 products have an
07 e-Procurement solution, correct?
08 A It would depend exactly how you're
09 defining e-Procurement.
10 Q What's your understanding of what

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11 e-Procurement is?

12 A E-Procurement would be automating the
13 procurement process by -- and one example would be
14 putting it online, removing paper from the process,
15 and building connections between the customer
16 organization and the various suppliers that they
17 work with.

18 Q As you've just defined it, is it your
19 understanding that M3 has an e-Procurement
20 solution?

21 A To the best of my knowledge, yes.

22 Q And let me ask the same question, as you
00057:01 defined it, is it your understanding that S3 has an
02 e-Procurement solution?

03 A Yes.

18. PAGE 64:12 TO 65:20 (RUNNING 00:01:37.400)

12 Q We were talking about the supplier chain
13 management solution that's offered by Lawson, and
14 specifically you gave me a definition for
15 e-Procurement, which I understood you to indicate
16 was a supplier chain management tool, correct?

17 A A supply chain management tool, correct.

18 Q That e-Procurement tool has a number of
19 components, would that be fair to say?

20 A Yes.

21 Q Specifically it has a number of software
22 modules that can make up the supply chain
00065:01 management tool, right?

02 A That's correct.

03 Q For example, there is a requisition
04 module you're familiar with?

05 A That's correct.

06 Q Is there a purchase order module?

07 A That's correct.

08 Q Are you familiar with a punchout
09 catalogue module?

10 A Yes.

11 Q And when Lawson is providing this
12 electronic procurement solution, those modules form
13 the basis of the supply chain flow for the
14 purchasing process, correct?

15 A They are components of the Supply Chain
16 Management product.

17 Q That permit a customer seeking to obtain
18 product, for example, from a specific vendor to
19 complete the purchasing process, right?

20 A That is my understanding.

19. PAGE 74:22 TO 76:14 (RUNNING 00:02:04.900)

22 Q Are you aware that the sales force for
00075:01 Lawson employs laptops that have demonstrations
02 that can be presented for product functionality and
03 features to customers?

04 A I don't know if I would describe it that
05 way, but that they have demo laptops.

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06 Q What's the purpose of the demo laptop, to
07 your understanding?

08 A My understanding is it is for use by our
09 solution consultants in presentations to customer
10 prospects to show how the product works.

11 Q Do you know whether or not there is a
12 customer demo for the M3 solution?

13 A I believe there is.

14 Q And how about for the S3 solution?

15 A Yes.

16 Q Like the webinar and the responses to
17 RFPs and the brochures, is it Lawson's intent to
18 have a demonstration that accurately depicts the
19 features and functionality of the M3 and S3
20 products?

21 A Yes.

22 Q Do you know whether or not those demos
00076:01 also go through the legal review process?

02 A I don't know.

03 Q Those demos are not actually performing a
04 procurement process, for example, when they're
05 presented to potential customers, isn't that right?

06 A I'm not following your question.

07 Q Let me rephrase it. They're meant to be
08 illustrative, not an actual functioning product,
09 isn't that right?

10 A I would say that's not entirely true.

11 Q And why is that not entirely true?

12 A My understanding is, in our
13 demonstrations, in many cases we're demonstrating
14 the actual live product in a demo environment.

20. PAGE 77:05 TO 78:09 (RUNNING 00:01:10.000)

05 Q It's Lawson's intention, though, to
06 accurately depict the functionality of the product
07 that's being demonstrated to the potential
08 customer?

09 A That's correct.

10 Q If you'll look at the page 9 of Exhibit
11 Number 1, it's entitled "Global Marketing Program,
12 Toolbox Content."

13 A Yes.

14 Q And it's broken down into several boxes.
15 I don't know exactly how it's organized. But, for
16 example, and I think these are some of the things
17 you talked about before, the toolbox for the
18 marketing department is to conduct events such as
19 seminars, breakfast meetings, and roundtable
20 discussions, correct?

21 A That's correct.

22 Q And you also mentioned the webinars,
00078:01 correct?

02 A That's correct.

03 Q And we talked about trade shows, correct?

04 A Correct.

05 Q In each of these instances, again,

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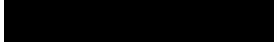
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06 Lawson's attempting to provide accurate information
07 with respect to the functionality of the software
08 products it's offering during these events, right?
09 A Correct.

21. PAGE 85:01 TO 85:10 (RUNNING 00:00:22.000)

00085:01 Q You did indicate, though, that you found
02 the Gartner reports to be of general reliability
03 for the information contained therein; is that
04 right?
05 A I believe what I stated is Lawson as a
06 company typically uses Gartner more than any other
07 industry analyst.
08 Q Is that because you find Gartner to be
09 more reliable than the other industry analysts?
10 A Generally speaking, yes.

22. PAGE 88:06 TO 89:10 (RUNNING 00:01:18.000)

06 Q Under sample customers, there's a series
 
07 of line items that involve license fees,
08 maintenance, services and contracting. Do you see
09 that?
10 A I do.

11 Q It's fair to say that for a product such
12 as S3, Lawson generates revenues for all four of
13 those categories, isn't that right?
14 A Yes.

15 Q So for example, when Lawson obtains a
16 contract for a new customer for S3, there's an
17 initial licensing component revenue that's created,
18 that's generated?

19 A That's correct.

20 Q And then there is fees associated with
21 maintaining the operations of that software
22 solution, in this case S3, for that particular
00089:01 customer, correct?

02 A That's correct.

03 Q And there are also services that are
04 associated that are provided to the customer with
05 respect to the S3 product, correct?
06 A In some cases.

07 Q And Lawson generates revenues for
08 providing services with respect to the S3 product
09 as indicated here in Exhibit 2, correct?
10 A That's correct.

23. PAGE 90:17 TO 91:18 (RUNNING 00:01:14.100)

17 Q But at least with respect to an S3
18 product, Lawson enjoys revenue streams from
19 licensing, maintenance, and servicing, correct?
20 A That's correct.
21 Q And would that be consistent with respect
22 to each customer that licenses the S3 product, that

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00091:01 Lawson enjoys revenues from licensing, maintenance
02 and servicing?
03 A Not necessarily.
04 Q Would there be any instances where Lawson
05 just received license fees and no maintenance fees?
06 A Initially, no. Maintenance is typically
07 required. But over the course of time a customer
08 may choose to drop maintenance.
09 Q At least for fiscal year 2006 in the
10 healthcare industry, it would appear that the main
11 source of revenue was maintenance fees, isn't that
12 right?
13 A Looking at these numbers, yes, that's the
14 way I would interpret it.
15 Q In fact it's almost three times as large
16 as the license fees that were realized from sales
17 to the healthcare industry in 2006, correct?
18 A That's correct.

24. PAGE 111:05 TO 111:08 (RUNNING 00:00:10.400)

05 Q And this is the content that you had
06 indicated earlier that Lawson makes every effort to
07 make sure is as accurate as possible, right?
08 A That is correct.

25. PAGE 114:08 TO 117:17 (RUNNING 00:03:29.000)

08 Q During the break I handed you a document
09 that I've marked as Exhibit Number 5. But before
10 we get to that, Mr. Frank, I wanted to go back to
11 the issue of the revenue streams that were
12 associated with the Lawson products. In particular
13 we looked at that one document, revenue streams
14 associated with S3 and M3, do you recall that?
15 A Yes.
16 Q And from memory, I believe it was
17 licensing, maintenance, servicing, and contracting.
18 Is that right?
19 A That is correct.
20 Q License fees I think I understand. Those
21 are the fees that are associated with providing the
22 product to a new customer or probably on an annual
00115:01 basis when it's licensed; is that right?
02 A That's correct.
03 Q The maintenance fees, those are fees that
04 Lawson charges to make sure that the software is
05 operating properly and maintained and functional;
06 is that fair to say?
07 A I wouldn't describe it quite that way.
08 Q How would you describe maintenance
09 revenue?
10 A There's really two components to
11 maintenance. So one is ongoing support. So when
12 customers have questions, run into issues, need
13 questions answered around the use of the software,
14 they'll call our help desk. So it's access to help
15 desk and support. The other aspect of it is the

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16 ongoing development of the product that comes in
17 the form of patches and fixes and new versions of
18 the product.

19 Q Upgrades?

20 A Upgrades, correct.

21 Q And there are revenues associated with
22 upgrades or patches, correct?

00116:01 A In some cases.

02 Q How about training? Does Lawson derive
03 any revenue from training their customers on how to
04 use the software solutions such as M3 and S3?

05 A It does.

06 Q Where would training fall within those
07 four categories we were talking about, licensing,
08 maintenance, servicing, and contracting?

09 A It would fall under services.

10 Q There's a 24/7 online availability to
11 customers who have questions or problems associated
12 with their software solutions such as M3 and S3,
13 correct?

14 A I believe that is the case. I can't say
15 for sure.

16 Q Do you know whether or not Lawson charges
17 for that service?

18 A I can't say.

19 Q How about, do they have call-in numbers
20 that people can call in if they have problems with
21 their operational functionality of the solution?

22 A We do.

00117:01 Q Does Lawson charge for those services?

02 A As a part of the maintenance -- it's part
03 of the maintenance package.

04 Q How about the actual implementation or
05 installation of the software for a customer? Are
06 there revenues that Lawson derives from that?

07 A Potentially.

08 Q Would that fall under the heading of
09 services?

10 A That's correct.

11 Q Does Lawson charge for any consulting
12 services that it provides with respect to these ERP
13 software solutions we've been talking about?

14 A It may, yes.

15 Q What bucket would we put the consulting
16 services in under revenues?

17 A Services.

26. PAGE 121:08 TO 124:05 (RUNNING 00:03:11.100)

08 that, we'll do it. Let me mark the next exhibit as
09 Exhibit 6.

10 (Frank Exhibit Number 6 was marked for
11 identification and attached to the deposition
12 transcript.)

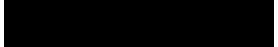
 PX0154-0001 - PX0154-0001

13 BY MR. ROBERTSON:

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14 Q I'll ask you to peruse that for a moment.
15 For the record, let me indicate it has a Bates
16 label ePlus 0241049 through 51. It appears to be,
17 again, a printout of a web page from the Lawson
18 website, with the heading "Requisitions." Do you
19 agree with me?
20 A I do.
21 Q Again, we're talking about the software
22 S3 Supply Chain Management solution, correct?
00122:01 A That is correct.
02 Q And it's your understanding that a
03 requisition module is part of that Procurement
04 solution, right?
05 A Yes.
06 Q To your understanding, can you do a
07 purchase of a good from a supplier without a
08 requisition module?
09 A I don't know the answer to that.
10 Q But at least it's your understanding that
11 part of the S3 Supply Chain Management procurement
12 solution involves a requisition process?
13 A A requisition product, correct.
14 Q That's all I have for that, sir.
15 (Frank Exhibit Number 7 was marked for
16 identification and attached to the deposition
17 transcript.)
18 BY MR. ROBERTSON:
19 Q Let me show you what I've marked as
20 Exhibit Number 7, which was that page I had as part

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21 of my Exhibit Number 5. Just for the record, it
22 appears, again, to be a printout of the web page
00123:01 from the Lawson website bearing Bates label ePlus
02 0241026 through 28. And it's entitled "Procurement
03 Punchout." Do you see that?
04 A I do.
05 Q Are you familiar with a Procurement
06 Punchout solution as part of the S3 Supply Chain
07 Management?
08 A In general terms, yes.
09 Q What's your understanding?
10 A Generally speaking, that it allows
11 customers, users to punch out to their suppliers'
12 websites to order products.
13 Q The second paragraph under "Procurement
14 Punchout" indicates, With "Lawson Procurement
15 Punchout, you enjoy prebuilt integration to a large
16 universe of individual trading partners and digital
17 marketplaces." Do you see that?
18 A I do.
19 Q Is it your understanding, as part of the
20 Procurement Punchout, Lawson has already prebuilt
21 in the capability of integrating to a large
22 universe of individual trading partners and other
00124:01 digital marketplaces?

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02 A Based on just the document itself, yes.
03 Q You have no reason to doubt the accuracy
04 of that statement, do you?
05 A No.

27. PAGE 125:01 TO 125:15 (RUNNING 00:00:48.000)

00125:01 Q Let me show you what I'm going to mark as

 **PX0156-0001 - PX0156-0001**



02 Exhibit Number 8, and ask you to take a look at
03 that. Again, while you're looking through that,
04 this appears to be the printout of a web page from
05 the Lawson website under the Procurement solutions
06 for S3 Supply Chain Management, entitled "Purchase
07 Order." It has the Bates label of ePlus 0241032
08 through 34.

09 Have you had a chance to look at that,
10 sir?

11 A I have.

12 Q Is it your understanding that a purchase
13 order functionality is part of the S3 Supply Chain
14 Management Procurement solution?

15 A Yes.

28. PAGE 125:20 TO 126:16 (RUNNING 00:00:49.500)

20 Q What do you understand the purchase order
21 functionality of this Supply Chain Management
22 solution to be?

00126:01 A Generally speaking I describe it as the
02 actual communication document that formally
03 recognizes a purchase through a vendor.

04 Q And it indicates the purchase order can
05 be launched automatically through the Lawson
06 requisitions or through your buyers. Do you see
07 that?

08 A I do.

09 Q Is that consistent with your
10 understanding of the purchase order module within
11 the Lawson S3 Supply Chain Management solution?

12 A Based on what I see in this
13 documentation, yes.

14 Q You have no reason to doubt the accuracy
15 of it, do you?

16 A I do not.

29. PAGE 126:22 TO 127:20 (RUNNING 00:00:58.000)

22 Q Let me show you what I've marked as

 **PX0157-0001 - PX0157-0001**



00127:01 Exhibit Number 9 and ask you to take a look at
02 that, sir. While you're doing that, let me
03 indicate it again appears to be a printout of a web
04 page from the Lawson website for the S3 Supply
05 Chain Management solution, and it has the Bates
06 label ePlus 0241043 through 45.

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07 Is my representation consistent with your
08 understanding, that it's a printout from the
09 website?

10 A Yes.

11 Q Are you familiar with what the
12 Requisitions Self-Service solution is of the S3
13 Supply Chain Management?

14 A At a high level, yes.

15 Q And what's your understanding, sir?

16 A That it allows organizations, customers,
17 to move the requisition process outside the
18 purchasing department and put the power of
19 requisitions in the hands of the departments and
20 users.

30. PAGE 147:09 TO 148:18 (RUNNING 00:02:03.600)

09 Q Let me show you what's been marked as

 **PX0129-0001 - PX0129-0001** 

10 Exhibit Number 15, Mr. Frank, and ask you to take a
11 look at that. While you're doing that, let me
12 state for the record that it's a document entitled
13 "Lawson Software e-Procurement: Revolutionizing
14 the Healthcare Supply Chain, a Lawson Software
15 White Paper," which bears the Bates label of LE
16 00163483 through 502.

17 Have you had a chance to look at it, sir?

18 A Yes.

19 Q We talked about white papers during the
20 morning session; you recall that, correct?

21 A I do.

22 Q Would this be an example of one of those
00148:01 Lawson white papers that provide information with
02 respect to certain product offerings?

03 A Yes.

04 Q Would this be a document that would be
05 vetted by Lawson product management and the legal
06 department before it was being made available to a
07 potential audience?

08 A Today, yes. I notice this a 2001
09 document. I was looking at the logo, it's two
10 logos old. It was before my time at Lawson. But
11 based on today's process, yes.

12 Q And this is before the acquisition or the
13 merger with Intentia, correct?

14 A Correct. That was 2006.

15 Q And the S3 product is a product that's
16 directed to the healthcare supply industry, isn't
17 it?

18 A Among other service industries, yes.

31. PAGE 149:11 TO 151:13 (RUNNING 00:02:49.000)

11 Q The focus of this document I want to
12 direct you to is beginning at page 488, going over

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13 to 489. And what it's doing there, it's my
14 understanding, is making a comparison between
15 traditional procurement and electronic procurement.
16 Do you see that?

17 A I do.

18 Q Would you agree with me that the goal of
19 a supply chain management solution is to streamline
20 and make the procurement process more efficient
21 than the traditional procurement process?

22 A Among other things, yes.

00150:01 Q And would you agree with me that one of
02 the goals of Supply Chain Management solution is to
03 reduce the costs that have been historically
04 associated with the purchase process for, you know,
05 a business?

06 A Yes.

07 Q And this chart here, the Lawson Software
08 document "Revolutionizing the Healthcare Supply
09 Chain," is attempting to illustrate how the
10 e-Procurement process is more efficient and creates
11 cost savings than the traditional process, correct?

12 A Yes.

13 Q And indeed, under the chart on the page
14 that ends 488, it talks about how many "touches" or
15 human interventions need to occur in the
16 traditional procurement process as compared to the
17 electronic procurement process, correct?

18 A That's correct.

19 Q From a marketing standpoint, do you
20 believe that the electronic procurement process is
21 an improvement over the traditional human
22 intervention procurement process?

00151:01 A Generally speaking, yes.

02 Q I mean, from a marketing perspective it's
03 one of the things that Lawson attempts to tout,
04 that the electronic procurement saves money and
05 reduces or streamlines the entire process, isn't
06 that right?

07 A Based on this document, yes.

08 Q But do you have any reason to believe as
09 you sit here today that the argument being made
10 here, essentially, that electronic procurement is
11 more efficient and less costly than the traditional
12 procurement process, is not true?

13 A No.

32. PAGE 152:01 TO 153:09 (RUNNING 00:01:21.200)

00152:01 Q Without regard to the document, you can
02 put it aside for a minute, would you agree with me
03 that one of the things that Lawson urges to its
04 potential customers is that its electronic software
05 solution for procurement is going to be more
06 efficient and less costly than the traditional
07 human intervention process?

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08 A Our position is our solutions could help
09 them be more efficient.
10 Q And how does it do that? Is it -- I'm
11 sorry.
12 A I'll let you finish if you like.
13 Q Is it by reducing the human intervention?
14 A That would be one of the elements.
15 Q How about speeding up the process, would
16 that be one of the elements?
17 A Yes.
18 Q How about the ability to be able to
19 choose among multiple vendors to find the best
20 price point for a desired product?
21 A I can't speak to that specifically.
22 Q Well, as the head of marketing for the
00153:01 Americas, what do you think the advantages are to
02 the electronic procurement process offered by
03 Lawson over the traditional human intervention
04 process?
05 A At a high level, reduction in use of
06 paper, automating the process, the use of
07 notifications of alerts, alerts that make the
08 process just more effective as well as more
09 efficient.

33. PAGE 227:16 TO 228:13 (RUNNING 00:01:24.300)

16 Q Let me show you what I'm going to mark as

 **PX0173-0001 - PX0173-0001**

17 Exhibit Number 36, which appears to be an e-mail
18 string that is dated -- the first e-mail is dated
19 November 8, 2005 from a Vicki Griffith at Lawson.
20 It bears the Bates label LE 00553268. And I
21 believe you appear to be copied on that e-mail. Do
22 you see that?

00228:01 A I do.
02 Q And it appears that the initial e-mail
03 went out on November 7, 2005, from a Steffan
04 Haithcox at Lawson. You appear to have also been
05 copied on that. The subject line was, "Help
06 needed: Top 10 clients." Do you see that?
07 A I do.
08 Q In essence Mr. Haithcox indicates to the
09 recipients that he needs help because he has a
10 meeting with a CFO the following week that has
11 approximately 150,000 employees and \$30 billion in
12 revenue, do you see that?
13 A Yes, I do.

34. PAGE 229:05 TO 230:04 (RUNNING 00:01:12.700)

05 Q And so Mr. Haithcox would like the
06 recipients of this e-mail to identify some top ten
07 clients that have revenue numbers, employee numbers
08 that might be comparable to this potential target;
09 is that fair to say?

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10 A Yes.

11 Q So the response from Vicki Griffith
12 identifies a number of customers that have
13 significant employees and significant revenues, for
14 example Sara Lee Corporation has 130,000 employees
15 and \$19 billion in revenue last year. Do you see
16 that?

17 A I do.

18 Q And after Sara Lee, for example, it says
19 "Fin/HR/Proc." Do you see that?

20 A I do.

21 Q Would that suggest to you that Lawson is
22 providing Sara Lee Corporation with software
00230:01 solutions involving finance, human resources and
02 procurement?

03 A At a very high level, yes. What
04 particular applications they have, I don't know.

35. PAGE 230:09 TO 230:16 (RUNNING 00:00:16.400)

09 Q One of the companies that's identified
10 here as of November 2005 is Gannett. Do you see
11 that?

12 A Yes.

13 Q And at a high level it appears that the
14 software solutions being offered are Finance,
15 Procurement, and LRS, do you see that?

16 A Yes.

TOTAL: 1 CLIP FROM 1 DEPOSITION (RUNNING 00:42:16.900)